SECOND REPORT | FOURTH SESSION | THIRTY-NINTH PARLIAMENT

Annual Review of the Budgets of the Independent Legislative Offices

Select Standing Committee on Finance and Government Services

LEGISLATIVE ASSEMBLY
PROVINCE OF BRITISH COLUMBIA

DECEMBER 2011

December 14, 2011

To the Honourable
Legislative Assembly of the
Province of British Columbia

Honourable Members:

I have the honour to present herewith the Second Report of the Select Standing Committee on Finance and Government Services for the fourth session of the 39th Parliament.

The Second Report covers the work of the Committee related to its annual review of the budgetary estimates of the independent legislative offices.

Respectfully submitted on behalf of the Committee,

Rob Howard, MLA
Chair

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Composition of the Committee

Members

Rob Howard, MLA	Chair	Richmond Centre
Doug Donaldson, MLA	Deputy Chair	Stikine
Bill Bennett, MLA		Kootenay East
Mable Elmore, MLA		Vancouver-Kensington
Dave S. Hayer, MLA		Surrey-Tynehead
Pat Pimm, MLA		Peace River North
Bruce Ralston, MLA		Surrey-Whalley
Bill Routley, MLA		Cowichan Valley
Dr. Moira Stilwell, MLA		Vancouver-Langara
Jane Thornthwaite, MLA		North Vancouver-Seymour

Clerk to the Committee

Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees

Research Staff

Josie Schofield, Manager, Committee Research Services

Byron Plant, Committee Research Analyst

Terms of Reference

On October 3, 2011, the Legislative Assembly agreed that the Select Standing Committee on Finance and Government Services be empowered:

2. a) To consider and make recommendations on the annual reports, rolling three-year service plans and budgets of the following statutory officers:

    i. Auditor General

    ii. Chief Electoral Officer

    iii. Conflict of Interest Commissioner

    iv. Information and Privacy Commissioner

    v. Merit Commissioner

    vi. Ombudsperson

    vii. Police Complaint Commissioner

    viii. Representative for Children and Youth; and,

    b) To examine, inquire into and make recommendations with respect to other matters brought to the Committee's attention by any of the Officers listed in 2(a) above.

3. That the Select Standing Committee on Finance and Government Services be the committee referred to in sections 19, 20, 21 and 23 of the Auditor General Act and that the performance report in section 22 of the *Auditor General Act* be referred to the committee.

In addition to the powers previously conferred upon the Select Standing Committee on Finance and Government Services, the committee shall be empowered:

a. to appoint of their number, one or more subcommittees and to refer to such subcommittees any of the matters referred to the Committee;

b. to sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;

c. to adjourn from place to place as may be convenient; and

d. to retain personnel as required to assist the Committee,

and shall report to the House as soon as possible, or following any adjournment, or at the next following Session, as the case may be; to deposit the original of its reports with the Clerk of the Legislative Assembly during a period of adjournment and upon resumption of the sittings of the House, the Chair shall present all reports to the Legislative Assembly.

Meetings Schedule

To conduct its annual review, the Finance Committee scheduled public meetings in Victoria on November 15, 17, 21, 23 and 24, 2011 with the eight statutory officers. On November 23 and 24, the Committee also met in-camera to deliberate on the recommendations to be presented to the Legislative Assembly.

November 15, 2011	Merit Commissioner Auditor General
November 17, 2011	Elections BC Information and Privacy Commissioner
November 21, 2011	Ombudsperson Police Complaint Commissioner
November 23, 2011	Representative for Children and Youth Conflict of Interest Commissioner Deliberations
November 24, 2011	Auditor General Deliberations

Minutes and transcripts of the Finance Committee's public meetings, as well as an electronic copy of this report, are available through the parliamentary committees' website at: www.leg.bc.ca/cmt/.

Office of the Auditor General

> *"The additional funding requests that were not anticipated in last year's estimate relate to the Office's performance audit policies and methodologies and moving to the Dogwood Building."*
> (John Doyle, Auditor General of British Columbia)

Background

Reporting directly to the Legislative Assembly, the Office of the Auditor General (OAG) is the independent auditor of the provincial government. Vote 2 of the annual *Estimates* provides for the Office's operating expenses and capital expenditures. Last year, the Finance Committee recommended that the annual operating budget be $15.752 million in 2011/12; $15.937 million in 2012/13; and $16.324 million in 2013/14. The annual budget for capital spending was set at $250,000.

2012/13 Estimate of Resources

On November 15, 2011, the Finance Committee met to review the Office's estimate of resources for the next fiscal year. Appearing on behalf of the OAG were: John Doyle, Auditor General; Malcolm Gaston, Assistant Auditor General; Katrina Hall, Manager of Finance; and Marc LeFebvre, Executive Director, Standards and Quality Assurance.

The Auditor General began the presentation by providing an update on the Office's succession plan. He reported that while younger employees have been hired to replace retiring staff, several temporary maternity and parental leaves have affected staffing levels, and the cost effects of people returning to work will be felt this year.

Next, the Auditor General described the unprecedented change taking place in accounting and audit standards – a transition that will require all financial auditors to become conversant with both international and Public Sector Accounting Board standards. In addition to continued training, the Office is currently exploring options to share the development costs of a performance audit documentation and training project with other independent legislative offices.

The OAG's infrastructure needs were also discussed. Committee members were informed that the main office space in Bastion Square, Victoria requires major upgrades to address safety, health and seismic concerns. As well, there are coordination problems with staff based in the smaller office on Pandora Avenue. The Auditor General reported that the new landlord has offered the OAG the opportunity to consolidate the two offices nearby, in the Dogwood Building at 1019 Wharf Street, bringing anticipated long-term cost savings.

Committee Inquiry

The committee inquiry focused on the costs of the proposed move. Members also asked questions about financial audits; performance audits; the capital budget; gap funds created by staff leaves; the Office's training and development needs; and the extent of government's contractual obligations.

Proposed move

Committee members asked several questions about the proposal to move to the Dogwood Building. In response, the Auditor General clarified that the one-time moving costs would be incurred in fiscal 2012/13 under "Office expenses". Subsequently, the OAG written response to Members' questions indicated that there will be a sustained increase in the occupancy costs in the out years due to the increase in rent cost and the increase in square footage at the Dogwood Building; and the ongoing increase is approximately $300,000 per year. Even with this change, however, the OAG cost for accommodation would be lower than some other legislative offices.

Following the November 15 meeting, the Committee requested additional written information concerning the proposed move. Members also held a follow-up meeting with the Auditor General on November 24. In response to further questions about the costs of relocating the two offices, committee members learned that the existing leases expire in the fall of 2014, at which time the rents are expected to increase. They also received a breakdown of the lease costs for the Dogwood Building based on the calculation of greater square footage.

Conclusions and Recommendations

The Finance Committee acknowledges the important work of the Office of the Auditor General and is mindful of the need to address office space needs in the future. Committee members, however, disagree on the timing of the proposed move, with the majority reluctant to sanction an increase in the operating budget in light of current economic circumstances. It was agreed, on division, that the Office continue to operate within the current budget allocation for operating expenses.

The Finance Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Auditor General be $15,752,000 in each of the next three fiscal years;
- the Office of the Auditor General receive capital expenditures of $280,000 in 2012/13, $150,000 in 2013/14 and $150,000 in 2014/15.

Office of the Conflict of Interest Commissioner

> *"We've been able in a relatively short period of time to get new premises and make IT improvements that are not going to affect our bottom line."* (Paul Fraser, QC, Conflict of Interest Commissioner for British Columbia)

Background

The Office of the Conflict of Interest Commissioner has a dual purpose: to serve and address the needs of the Members of the Legislative Assembly and Cabinet Ministers by providing an ethical framework to assist in reconciling their private interests and public duties, and to serve and inform the public. The appropriation for the Office is provided under Vote 3 of the annual *Estimates*. Last year, the Finance Committee recommended that the annual operating budget be $480,000 in each of the next three fiscal years.

Budget Proposal Fiscal Years 2012/13-2014/15

On November 23, 2011, the Finance Committee met to review the Office's budget proposal for the next three fiscal years. Representing the Office were Paul Fraser, QC, Conflict of Interest Commissioner and Daphne Thompson, Executive Coordinator.

The Conflict of Interest Commissioner began the presentation by outlining the three broad aspects of the Office's overall mandate. The first is advising Members on their obligations and meeting at least annually to review the disclosure of each Member's financial interests and the general obligations imposed by the *Members' Conflict of Interest Act*. Next, the BC Office is one of only two jurisdictions in Canada that give the public standing and access to the conflict-of-interest process. Finally, the Office provides opinions in response to requests from MLAs or members of the public respecting alleged conflicts of interest.

The Commissioner then reported on the plan to move the main office in January 2012 to more spacious accommodation next door at 421 Menzies Street, Victoria, without adding to building occupancy costs next year. This new location is still conveniently within the legislative precinct.

The Committee was also informed that IT support for the Office was transferred from the Ministry of Finance to Legislative Assembly Computer Systems in July 2011, resulting in administrative efficiencies and some cost savings. For example, no additional funding is required for an IT project that will alleviate much of the administrative overhead involved with forms management. A new web-document library will provide each Member with access to their folder and forms from any web-enabled device.

Turning to next year, the Commissioner informed the Committee that he anticipates a review of the Act by a special committee of the Legislative Assembly will occur, and include submissions from the public and others on potential changes. The Act has remained largely unchanged since it came into force 20 years, as it contains no provision for a statutory review, but both the Premier and Leader of the Opposition are in support of the idea.

The Commissioner reported that for the next three fiscal years, there is no change in the total operating budget. It remains at $480,000, with some minor reallocations on the salary side.

Committee Inquiry

The committee inquiry focused on staffing, the IT project and post-employment obligations.

Staffing level

Members asked for clarification regarding the budget for staffing, including increased costs for professional services. The Commissioner explained that because people are continuing to work on a contract basis (STOB 60) there has been in a reduction in salaries for regular staff (STOB 50).

IT project

The Commissioner was asked about costs for training administrative staff to use the new IT project. He reported that these costs are expected to be modest and insignificant, adding that the new process would be more cost effective than the current "hugely labour-intensive" process for filing confidential disclosure forms. Members also inquired about security risks and were informed that encryption will ensure secure access.

Post-employment obligations

Members inquired about the post-employment obligations of cabinet ministers. In response, the Commissioner referenced the federal guidelines and the post-employment regime used in the United Kingdom, a peer-review-based system that could be adapted for British Columbia.

Conclusions and Recommendations

In today's challenging economic times, the Finance Committee is appreciative of the recent efforts by the Office of the Conflict of Interest Commissioner to find new efficiencies and cost savings and supports the request for a flat-line budget.

The Finance Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Conflict of Interest Commissioner be $480,000 in each of the next three fiscal years.

Elections BC

"This is a very fiscally prudent budget. Any reduction in funding would impact our ability to deliver on our mandate...." (Dr. Keith Archer, Chief Electoral Officer of British Columbia)

Background

Elections BC (EBC) is an independent, non-partisan Office responsible for administering provincial general elections, by-elections, referenda, recall petitions, initiative petitions and initiative votes as detailed in provincial legislation. The appropriation for EBC operating expenses and capital expenditures is provided for under Vote 4 of the annual *Estimates*. Last year, the Finance Committee recommended a budget for ongoing services of $8.134 million in each of the next three fiscal years; and a capital budget of $1.439 million in 2011/12, $735,000 in 2012/13 and $250,000 in 2013/14.

Budget Proposal, 2012/13 - 2014/15

On November 17, 2011, the Finance Committee met to review Elections BC's budget proposal for the next three fiscal years. Representing the Office were: Dr. Keith Archer, the province's new Chief Electoral Officer; Nola Western, Assistant Chief Electoral Officer, Funding and Disclosure; and Anton Boegman, Assistant Chief Electoral Officer, Electoral Operations.

The Chief Electoral Officer began the presentation by explaining that his appointment on September 1, 2011 enabled the completion of the strategic plan that is now guiding both the ongoing operating budget and the capital budget requests. Innovation has been added to the plan as a corporate value.

Turning to the operating budget for ongoing core services, the Assistant Chief Electoral Officer of Funding and Disclosure explained that the amount requested for 2012/13 remains unchanged from the current fiscal year. For planning purposes, however, a small increase to the ongoing core services budget is being requested for 2013/14 and 2014/15 to reflect amortization changes due to investments in capital assets and small increases for inflation.

The event funding request for 2012/13 was reviewed next by the Assistant Chief Electoral Officer of Electoral Operations. Committee members learned how EBC plans to prepare for the next provincial general election, scheduled for May 2013. This includes administering the province's first door-to-door enumeration since 1989. This event is required under section 42 of the *Election Act* and estimated to cost $29.953 million. Elections BC, however, believes that this model of voter registration is not cost effective. In fact, there is evidence that the current model of using a permanent voters list, in conjunction with targeted, mail-based enumeration, results in a higher quality voters list than residence-to-residence enumeration, which is used by only Manitoba and Yukon. Nonetheless, to conform to the statutory requirement, EBC is planning a pilot enumeration to be completed before March 31, 2012.

The Finance Committee learned that the remainder of the event-related funding request ($5.761 million) was for initial preparations for the 2013 general election ($5.224 million), and to administer on-demand events, such as the Port Moody-Coquitlam by-election ($537,000).

The Chief Electoral Officer concluded the EBC presentation by identifying four high-priority recommendations requiring legislative change that may have budget implications at a later date: simplifying the role of voting officers; allowing provisional voter registration for 16- and 17-year olds; providing the Chief Electoral Officer with greater flexibility to determine the best process for conducting enumerations and to introduce, on a pilot basis, a variety of new voting technologies.

Committee Inquiry

The committee inquiry focused on the residence-to-residence enumeration. Due to insufficient time, committee members posed questions on the record that were subsequently answered by the Chief Electoral Officer in a written response. These topics were: constituency-specific concerns about the conduct of the provincial electoral process; vote-counting technology; multilingual voter information; voting places on reserves; enumeration pilot budget; upgrades to Electoral Information System software; EBC participation in government shared services; estimated cost savings of implementation of recommendations; and projected costs of the 2013 general election.

Residence-to-residence enumeration

Some committee members suggested that an effort should be made to increase voter registration, particularly among rural and First Nations populations. In reply, the Chief Electoral Officer described some of the current challenges of completing a door-to-door enumeration – such as difficulties recruiting enumerators and accessing residences – adding that evidence in other provinces shows it not to be cost-effective.

In response to a question about what will be sampled in the pilot project, the Assistant Chief Electoral Officer of Electoral Operations explained that the project targets the Port-Moody-Coquitlam electoral district and will assess the effectiveness of new software, processes and procedures in advance of province-wide residence-to-residence visitation.

Related questions were asked about the current number of registered voters, and how enumeration is conducted in multi-ethnic communities. The Chief Electoral Officer informed committee members that the number of registered voters in BC is 3.264 million (or 93% of those eligible). On the accessibility of the electoral process, EBC strives to hire multilingual staff.

Conclusions and Recommendations

The Finance Committee appreciates the fiscal prudence demonstrated in Election BC's budget submission and supports the ongoing operating budget and capital budget requests. The Committee also recognizes the need to plan for the financing of the province-wide residence-to-residence enumeration required under the *Election Act*. Most committee members, however, think there is a

compelling case to eliminate this costly exercise and urge government to act on the Chief Electoral Officer's recommendation to change the Act to provide more flexibility to determine the best process for updating the voters list.

The Finance Committee recommends that:

- the annual appropriation for the operating expenses of Elections BC be $8,134,000 in 2012/13, and that $35,714,000 be provided for event-related funding requirements;
- the annual appropriation of Elections BC for ongoing core services be set at $8,210,000 in 2013/14 and $8,360,000 in 2014/15 for financial planning purposes;
- the capital expenditures for Elections BC be $735,000 in 2012/13; $700,000 in 2013/14; and $1,050,000 in 2014/15.

Office of the Information and Privacy Commissioner; Office of the Registrar of Lobbyists

> *"My budget submission for both offices takes into account the difficult financial times facing the province, so aside from asking for funding for a new mandate brought about by Bill 3 and a very small amount to pay for an increase in building operating costs, I'm not requesting any new money."* (Elizabeth Denham, Information and Privacy Commissioner and Registrar of Lobbyists for British Columbia)

Background

The Office of the Information and Privacy Commissioner (OIPC) and the Office of the Registrar of Lobbyists are the independent oversight agencies responsible for monitoring and enforcing compliance with three statutes: the *Freedom of Information and Protection of Privacy Act*, the *Personal Information Protection Act* and the *Lobbyists Registration Act*. The appropriation for both offices' operating and capital expenditures is provided for in Vote 5 of the annual *Estimates*. Last year, the Finance Committee recommended an annual operating budget of $4.906 million and a capital budget of $45,000 in each of the following three fiscal years.

Reallocation of STOB 60 Surplus

On November 7, 2011, the Finance Committee considered a request from the Information and Privacy Commissioner for extra funding this fiscal year to cover start-up work related to implementing recent changes to the *Freedom of Information and Protection of Privacy Act*. Rather than seeking contingency funding, the Commissioner proposed releasing $115,000 of the existing surplus in the fund dedicated for judicial reviews, under STOB 60 (Professional Services). The surplus would be used to hire one FTE and temporary contractors.

Committee Decision, November 17, 2011

After due deliberation, the Finance Committee approved the reallocation of $115,000 from the STOB 60 surplus for unanticipated expenses associated with recent legislative changes to the *Freedom of Information and Protection of Privacy Act*.

Budget Submission, Fiscal Years 2012/13 - 2014/15

The Finance Committee met on November 17, 2011 to review the offices' budget submission for the next three fiscal years. In attendance were: Elizabeth Denham, Information and Privacy Commissioner and Registrar of Lobbyists; Catherine Tully, Assistant Commissioner; and Shelley Forrester, Executive Director of Corporate Services.

The Information and Privacy Commissioner began the presentation with a description of the work of the two offices. In addition to closing 1,129 reviews and complaints last year, the OIPC also reduced the backlog of access reviews and privacy complaints from 180 to less than 100 files.

Turning to next year's budget, the Commissioner stated that the passage of Bill 3, the *Freedom of Information and Protection of Privacy Amendment Act, 2011*, placed four new oversight responsibilities on the OIPC in regard to data-linking initiatives. In order to review and write new rules for cross-ministry data-sharing, additional funding is needed next year to permit the hiring of four additional staff with specialized technical knowledge and analytical skills, with their salaries and benefits amounting to $453,000.

Committee Inquiry

The committee inquiry focused on the staffing level and the backlog of access reviews and privacy complaints. Committee members also asked about government data and privacy; employee background checks using social media; and measures to promote awareness on privacy matters.

Staffing level

Members asked questions relating to the current staffing level and the increase in FTE count from 27 to 32 resulting from the phased hiring of a specialized team over the course of two fiscal years. The Committee learned that the number of five new FTEs was determined after examining previous reviews of other complex programs and similar responsibilities carried out by New Zealand's privacy commissioner. It was estimated that one policy and technical analyst will be able to review between three and five complex privacy impact assessments a year. In response to a question about what might happen should funding for the positions not be forthcoming, the Commissioner stated that the OIPC would not be able to fulfill the new responsibilities.

Office caseload

The Chair asked about the the backlog of access reviews and privacy complaints and whether technological advances offer new efficiencies moving forward. The Commissioner stated that she was encouraged by the success of strategies undertaken in the past year to reassign and reallocate existing resources to address workload issues. She added that while most of the FOI cases have been similar in type, the OIPC is increasingly investigating private sector privacy complaints, which are complex and require time to complete.

Conclusions and Recommendations

The Finance Committee recognizes the need for the OIPC to hire new staff to fulfill its extra statutory responsibilities and therefore recommends an increase in next year's operating budget. Since the actual number of FTEs required may vary from the initial estimate, the Committee would appreciate receiving a progress report from the Information and Privacy Commissioner on the start-up phase of the implementation of the Office's expanded statutory mandate.

The Finance Committee recommends that:

- the annual appropriation for the operating expenses of the Office of Information and Privacy Commissioner be $5,396,000 in 2012/13, and set at $5,528,000 in 2013/14 and $5,557,000 in 2014/15 for financial planning purposes;
- the Office of the Information and Privacy Commissioner be granted capital expenditures of $45,000 in each of the next three fiscal years.

Office of the Merit Commissioner

> *"I've put forward this budget proposal being mindful of the need to manage prudently and responsibly from a limited public purse. I consider this allocation will enable my office to fulfil my mandate and carry out our service plan in the coming years."* (Fiona Spencer, Merit Commissioner for the Province of British Columbia)

Background

The Office of the Merit Commissioner (OMC) is mandated to provide independent oversight and insight into merit-based hiring in the BC Public Service. The appropriation for the OMC is provided under vote 6 of the annual *Estimates*. Last year, the Finance Committee recommended that the Office receive an operating budget of $1.062 million in 2011/12; $1.044 million in 2012/13; and $1.008 million in 2013/14. The Committee also recommended an annual capital budget of $15,000.

Budget Submission, Fiscal Years 2012/13-2014/15

On November 15, 2011, the Finance Committee met to review the OMC budget submission for the next three fiscal years. In attendance were Fiona Spencer, Merit Commissioner and Shelley Forrester, Executive Director of Corporate Services.

The Merit Commissioner's presentation began with a report on the work undertaken over the past year. This included the 2010 merit performance audit of 183 appointments made between September 1, 2010 and December 1, 2010. This audit demonstrated that changes to BC Public Service Agency hiring practices have yet to address the deficiencies identified in previous merit performance audits.

The Committee was also informed of the results of a special audit of auxiliary appointments, which found the use of auxiliary employees to perform longer-term work to be a "potential misuse" of this appointment type and therefore a risk to merit-based hiring for longer-term work. A study of lateral transfers – which are exempt from the requirements of a merit-based process – found that less than 1 percent may have been improperly identified. As well, 11 requests for staffing reviews were received by the OMC last year; and this fiscal year, the Office has already received ten requests.

Turning to priorities for the next fiscal year, the Commissioner reported that the full-year 2011 merit performance audit would be concluded to establish the baseline for merit-based hiring under the new system introduced by the BC Public Service Agency. A modified audit of 2012 appointments is also being considered, one that focuses on specific aspects of the appointment process, specific organizations, or specific occupational categories. Other plans include a follow-up audit of temporary appointments, a special audit of the hiring pool appointment process and two special studies – one on competitions restricted to one ministry, and the other on recourse and redress provisions.

Regarding budget requirements, the Commissioner explained that the request for $1.024 million is approximately 4 percent less than the current budget as the result of under-spending in salaries, lower amortization costs than initially anticipated, subletting of previous office space and proposed reductions in professional service costs. The capital budget of $15,000 is the same as 2011/12.

Committee Inquiry

The committee inquiry focused on merit-based appointments, auxiliary appointments and staffing reviews. Members also asked about appointment audits sampling and proposed studies.

Merit-based hiring

Asked to clarify "merit-based" appointments, the Commissioner explained how these appointments consider factors such as education, skills, knowledge, experience, past work performance and years of continuous service. The Office looks for fairness in the process, including indication of bias or prejudice, but has not found evidence of appointments being made without merit in the last two or three years. In response to questions about representation of visible minorities in the public service, the Commissioner reported that the BC Public Service Agency is currently looking at this issue.

The Commissioner was asked how the creation of a new natural resource officer position – which amalgamates a number of positions – might impact merit-based hiring practices. She replied that employee reclassifications are not normally done through a competitive process and so lie outside the OMC mandate.

Auxiliary appointments

Members inquired whether auxiliary appointments may circumvent provisions in the *Public Service Act*. They learned that there has been a significant increase in the number of auxiliary employees in 2011, including some that appear to be problematic – to determine whether they are would require looking at the files of the original appointment. In response to a question about conversions of auxiliary appointments into full-time positions, the Commissioner explained that because there is no competitive process, those conversions are not part of her jurisdiction.

Review of staffing decisions

Questions relating to reviews of staffing decisions were also raised. The Commissioner described the three-step review process available to applicants of bargaining-unit positions, which includes an independent review by the Merit Commissioner. Applications for such a review must be made within five calendar days of an internal inquiry decision by a Deputy Minister.

Conclusions and Recommendations

The Finance Committee appreciates the fiscal restraint demonstrated by the Office of the Merit Commissioner and endorses the request for a slightly reduced operating budget and a stand-pat capital budget.

The Finance Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Merit Commissioner be $1,024,000 in 2012/13, and set at $1,018,000 in 2013/14 and $1,024,000 in 2014/15 for financial planning purposes;

- the Office of the Merit Commissioner receive capital expenditures of $15,000 in each of the next three fiscal years.

Office of the Ombudsperson

> *"This budget reflects the reality that the Office of the Ombudsperson, even with the proposed additional funding, will continue to be a very lean organization for the foreseeable future."* (Kim Carter, Ombudsperson for the Province of British Columbia)

Background

The Office of the Ombudsperson provides oversight of the administrative fairness of the policies and practices of public authorities and is an independent and impartial agency available to every person in British Columbia who is concerned that they have not been treated fairly and reasonably by a provincial public authority. The appropriation for the Office is provided under Vote 7 of the annual *Estimates*. Last year, the Finance Committee recommended that the annual operating budget be $5.372 million in 2011/12; and $5.311 million in 2012/13 and in 2013/14. The annual budget for capital expenditures was set at $75,000.

Budget Submission Fiscal Years 2012/13 - 2014/15

On November 21, 2010, the Committee met to review the Office's budget proposal for the next three fiscal years. In attendance were Kim Carter, Ombudsperson and Shelley Forrester, Executive Director of Corporate Services, Office of the Ombudsperson.

The Ombudsperson began the presentation by summarizing the role of the Office in ensuring citizen access and fair treatment, and in promoting principles of good governance. She reported that in 2010/11, the Office received over 7,500 inquiries and complaints relating to provincial ministries, commissions, Crown corporations, health authorities, local government bodies and self-regulating professions. Three hundred early resolutions files and 1,700 investigative files were also closed, and work continued on a systemic investigation into seniors' care in BC.

As the Office is experiencing an increase in intake numbers, the Ombudsperson requested additional funding of $486,000 next year for four new positions to enable the Office to improve service. The new staff complement would consist of two investigative positions for files awaiting assignment; one position for systemic investigation; and a Deputy Ombudsperson position to support proactive government and public agency legislative, policy and program review. The budget submission also included a funding request for an additional 1.5 FTEs to join shared services staff.

Committee Inquiry

The committee inquiry focused on the request for additional staff and the current intake. Additional questions were asked about the toll free telephone service and the planned budgets beyond 2012/13.

Staffing level

Members asked for clarification of the proposed increase for salaries (STOB 50) and employee benefits (STOB 52). The Ombudsperson explained that the budget request for 2012/13 covers four new positions for Ombudsperson Operations, and an additional 1.5 FTEs for Shared Services, which provides integrated services to four legislative offices.

A question was also asked about the impact that two new investigators would have on lowering the number of open files awaiting assignment after 2013/14. The Ombudsperson stated that two additional investigators could deal with the volume, but that any increase in intake above 2 percent would result in a backlog. In response to a query about the current staffing level, the Ombudsperson stated that there are 15 investigators, and two on the systemic investigation team.

Office caseload

The Chair asked about the intake increase, and how files awaiting assessment are triaged by the Office. In response, the Ombudsperson explained how priority consideration is given to files concerning health and safety, followed by urgency, then timeliness of resolution. In response to a question about the number of out-of-mandate cases received by the Office, committee members learned that about 1,700 of the 7,500 requests were found to be outside of the Office's jurisdiction, and that steps are taken to refer such cases to appropriate authorities. The Ombudsperson also stated that a large number of cases are referred to her by MLA constituency offices.

Conclusions and Recommendations

While acknowledging that the Office of the Ombudsperson plays an important last-resort role, the Finance Committee cannot endorse the request for a significant lift in the operating budget next year. Since the need for additional resources was not foreseen last year, it is difficult for committee members to sanction an increase in these challenging economic times.

- the annual appropriation for the operating expenses of the Office of the Ombudsperson be $5,372,000 in each of the next three fiscal years;
- the Office of the Ombudsperson receive capital expenditures of $75,000 in each of the next three fiscal years.

Office of the Police Complaint Commissioner

> *"I am not asking for any further financing or any further funds for staffing. However, we are once again requesting additional 'dedicated funding' for costs associated with adjudicative reviews, judicial reviews and legal expenses associated with the Police Act. This request is based on a demonstrated need since the implementation of the new Act and the expenses associated with the growing pains which often accompany the introduction of new legislation."* (Stan Lowe, Police Complaint Commissioner for British Columbia)

Background

The Office of the Police Complaint Commissioner (OPCC) deals with complaints against municipal police and members of policing units designated by the Lieutenant Governor in Council. The appropriation for the Office's operating expenses and capital expenditures is provided for in Vote 8 of the annual *Estimates*. Last year, the Finance Committee recommended an annual operating budget of $2.796 million and a capital budget of $25,000 in each of the next three fiscal years.

Budget Submission Fiscal Years [2012/2013] - 2014/2015

On November 21, 2011, the Finance Committee met to review the OPCC budget submission for the next three fiscal years. In attendance were: Stan Lowe, Police Complaint Commissioner; Rollie Woods, Deputy Commissioner; Cynthia Dick, Director of Planning and Management; and Shelley Forrester, Executive Director of Corporate Services.

The Police Complaint Commissioner began the presentation by explaining how the oversight of complaints involving municipal police has undergone a transition over the past 18 months following the coming into force of amendments to the *Police Act*. The changes enhance the oversight powers of the Office and give it powers to determine admissible complaints; review all non-registered complaints and all reportable injuries; and conduct contemporaneous oversight of investigations and direct investigative steps. As well, two new avenues of intermediate adjudicative review, in addition to public hearings, have been added.

The Office's workload was discussed next. The Committee heard how the number of files opened and requiring review has increased approximately 200 percent since the legislative changes came into force. During the current fiscal year, the Office opened 1,138 files, of which 643 were registered complaints from the public and 335 were deemed admissible and forwarded to the originating municipal department. The Committee also was told about efforts to increase the use of alternate dispute resolution, and the signing of a recent Memorandum of Understanding with the RCMP whereby the OPCC will conduct reviews of investigations involving police incidents resulting in death or serious harm pending the establishment of the Independent Investigations Office.

Turning to the budget request, the Commissioner reported that the Office is experiencing cost pressures for professional services (STOB 60) with respect to adjudicative and legal expenses. He explained how the unpredictability of legal costs has been a consistent concern of the Office, and several requests have been made in previous years for supplemental funds. He reminded the Committee that the amount dedicated for these services has remained constant over the past seven years, despite increases to legal fees and expenses, and that changes to the *Police Act* have increased the number of adjudicative avenues from one to three.

The Office's budget submission therefore includes an additional $225,000 of "dedicated funding" to defray costs in the current fiscal year. Also requested was a $200,000 increase in the annual amount of "dedicated funding" for adjudicative and legal expenses for the next three fiscal years, with any unspent funds returned to the Treasury.

Committee Inquiry

The committee inquiry focused on the request for additional "dedicated funding" and the caseload.

Adjudicative and legal expenses

Regarding the overruns in the "dedicated funding" for adjudicative and legal expenses, committee members suggested that a distinction could be made in the future between activities where the Police Complaint Commissioner has some discretion – namely, public hearings and referrals to retired judges – and judicial reviews of decisions that are beyond his control. They were informed that since the new *Police Act* came into force, the Commissioner has ordered one hearing, seven reviews by retired judges and two judicial reviews.

Members also voiced concern about the timing of the request for contingency funding, and why no previous communications were forwarded to the Finance Committee on this shortfall. The Commissioner replied that the Committee was not reconstituted until September, by which time the expenses had been incurred. In fact, the Committee had been provided its terms of reference by the House for the third session on June 2, 2011 and held its organizational meeting on July 21, 2011.

Caseload

The Commissioner was asked about the significant increase in the number of files opened in 2010 by the Vancouver police department, referenced in Appendix A of the 2010 Annual Report. He reported that the 2010 statistics included, for the first time, the reportable injuries as well as non-registered complaints. The increase is highest in Vancouver since it has approximately 52 percent of the policing population. The Commissioner also explained the process for determining whether allegations of police misconduct are substantiated, which includes review by the discipline authority, often a police chief.

In response to a related question, he also stated that the interim Memorandum of Understanding with the RCMP would not result in extra work for the Office.

Conclusions and Recommendations

The Finance Committee recognizes that the unpredictability of legal expenses from year to year is an ongoing challenge for the Office of the Police Complaint Commissioner. Going forward, however, the Committee believes the Commissioner should exercise more control over two of the three adjudicative avenues, with public hearings and reviews by retired judges allocated lower proportions of "dedicated funding" than judicial reviews.

The Finance Committee recommends that:

- the Office of the Police Complaint Commissioner be granted contingency funding of $225,000 in the current fiscal year (2011/12) to defray unanticipated costs of adjudicative reviews, hearings and legal expenses;

- the annual appropriation for the operating expenses of the Office of the Police Complaint Commissioner be $2,996,000 in each of the next three fiscal years;

- the Office of the Police Complaint Commissioner receive capital expenditures of $25,000 in each of the next three fiscal years.

Office of the Representative for Children and Youth

> *"I'm requesting a stand-pat budget. I'm doing that for one very clear purpose, which is that I think that in our office we have a very acute understanding of the province's fiscal reality...."*
> (Mary Ellen Turpel-Lafond, Representative for Children and Youth, Province of British Columbia)

Background

The Office of the Representative for Children and Youth (ORCY) supports children, youth and families who need help in dealing with the child welfare system. The functions of the Representative are set out in section 6 of the *Representative for Children and Youth Act*. They are: advocacy for children and youth and their families; oversight of the provision of designated services by public bodies; and reviews of critical injuries and deaths of children.

The appropriation for the Office's operating expenses and capital expenditures is provided for in Vote 9 of the annual *Estimates*. Last year, the Finance Committee recommended an operating budget of $7.317 million in each of the next three fiscal years; and a capital budget of $80,000 in 2011/12, $30,000 in 2012/13 and in 2013/14.

Budget Submission Fiscal 2012/13 – 2014/15

On November 23, 2011, the Finance Committee met to review the ORCY budget submission for the next three fiscal years. Representing the Office was Mary Ellen Turpel-Lafond, Representative for Children and Youth, who was reappointed on November 15, 2011 to serve a second five-year term. Also in attendance were: Jeremy Berland, Deputy Representative; John Greschner, Chief Investigator and Associate Deputy; and Tanis McNally-Dawes, Manager, Finance and Facilities.

The Representative for Children and Youth began the presentation by providing an overview of the mandate and core functions of the Office, noting that its creation was recommended in a 2006 report by Ted Hughes, QC. She then discussed work undertaken in the current fiscal year and the state of vulnerable children in British Columbia. At the end of September 2011, 399 critical injuries and 154 deaths had been identified for review. On advocacy, the Representative reported 7,234 new cases between April 2007 and October 2011. This year, the Office also conducted workshops and outreach in 12 communities, focusing on youth.

On the budget request for next year, the Representative stated that she is requesting a stand-pat operating budget of $7.317 million. The components of the proposed budget of $140,000 for capital assets acquisitions are: $30,000 for office space, equipment and furniture; $60,000 for information systems; and $50,000 for tenant improvements in the Burnaby office.

Committee Inquiry

The committee inquiry focused on the proposed increase in the capital budget and the performance measures in the ORCY service plan. Other topics raised were: the review of Community Living BC; the staffing level; children in care; services for Aboriginal children and youth living off-reserve; and information for immigrant or refugee children and youth.

Capital budget

Asked to elaborate on the request for an additional $60,000 for information systems, the Representative explained that this funding would enable the Office to develop enhancements to its case management system. It was important to have better performance tracking because the "reset" in the relationship with the Ministry of Children and Family Development involves more collaboration.

Performance measures

The Chair asked the Representative to clarify the statement on page 22 of the current Service Plan: "The work of the Office does not lend itself to outcome-based measurement." In her response, the Representative reported that steps are currently being taken, in collaboration with the Chair and Deputy Chair of the Select Standing Committee on Children and Youth, to develop a process for reporting on ORCY outputs. She is also considering following the example of the Auditor General and publishing both the annual report and service plan as one document to better explain what has been and what will be accomplished.

Conclusions and Recommendations

The Finance Committee appreciates that in recognition of the challenging financial times, the Office of the Representative for Children and Youth has presented a stand-pat operating budget for the next three fiscal years. It also considers the request for a modest increase in next year's capital budget to be a reasonable one.

The Finance Committee recommends that:

- the annual appropriation for the operating expenses of the Office of the Representative for Children and Youth be $7,317,000 in 2012/13, and set at $7,405,000 in 2013/14 and $7,506,000 in 2014/15 for financial planning purposes;
- the Office of the Representative for Children and Youth receive capital expenditures of $140,000 in 2012/13, $30,000 in 2013/14 and $30,000 in 2014/15.

Documents Submitted

Office of the Auditor General (OAG)

2010/11 Annual Report and 2011/12 – 2013/14 Service Plan

Financial Statement Audit Coverage Plan for Fiscal Years 2012/2013 through 2014/2015

2012/13 Estimate of Resources, November 2011

OAG Response to Questions Asked, November 15, 2011

Correspondence from John Doyle, Auditor General to Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees, November 23, 2011

Office of the Conflict of Interest Commissioner

Annual Report 2010

Budget Proposal Fiscal Years 2012/13 – 2014/15, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of BC, November, 2011

Correspondence from Daphne Thompson, Executive Coordinator to Josie Schofield, Manager of Committee Research Services, November 23, 2011

Elections BC

Annual Report 2010-2011

Service Plan 2011/12 – 2013/14

Budget Proposal 2012/13 – 2014/15

Chief Electoral Officer's Response to Questions Asked, November 21, 2011

Office of the Information and Privacy Commissioner (OIPC); Office of the Registrar of Lobbyists (ORL)

OIPC 2010 – 2011 Annual Report

BC ORL 2010-2011 Annual Report

OIPC-ORL Service Plan Fiscal Years 2013-2015

OIPC-ORL Budget Submission Fiscal Years 2012/13 – 2014/15, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of BC, November 17, 2011

Correspondence from Elizabeth Denham, Information and Privacy Commissioner to Rob Howard, Chair, Select Standing Committee on Finance and Government Services, October 27, 2011

Correspondence from Elizabeth Denham, Information and Privacy Commissioner to Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees, November 10 and 14, 2011

Correspondence from Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees to Elizabeth Denham, Information and Privacy Commissioner, November 17, 2011

Correspondence from Rob Howard, Chair, Select Standing Committee on Finance and Government Services to Karyn Scott, Treasury Board Analyst, November 24, 2011

Office of the Merit Commissioner

Upholding Fair Hiring in the BC Public Service, 2010/2011 Annual Report

Service Plan Fiscal Years 2012/13-2014/15

Budget Submission Fiscal Years 2012/13 - 2014/15, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of BC, November 15, 2011

Office of the Ombudsperson

Annual Report 2010/11

Service Plan Fiscal Years 2012/13-2014/15

Budget Submission Fiscal Years 2012/13 – 2014/15, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of British Columbia, Nov. 21, 2011

Correspondence from Kim Carter, Ombudsperson to Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees, November 22, 2011

Office of the Police Complaint Commissioner

2010 Annual Report

Service Plan Fiscal Years 2013 – 2015

Budget Submission Fiscal Years [2012/2013] – 2014/2015

Office of the Representative for Children and Youth

Annual Report April 1, 2010 – March 31, 2011

Service Plan 2012/13 to 2014/15

Budget Submission Fiscal 2012/13 – 2014/15, Presented to the Select Standing Committee on Finance and Government Services, Legislative Assembly of BC, November 23, 2011